

**Multistate Tax Commission
Combined Reporting Project
Policy Goals, Work Objectives and Timelines**

POLICY GOALS

The Executive Committee of the Multistate Tax Commission has directed the Uniformity Committee to draft model uniform combined reporting statutes and regulations to assist states wishing to convert to a combined reporting methodology from a separate entity or consolidated reporting method. Additionally, states currently employing the combined reporting methodology may be informed on best practices from the uniformity recommendation and may amend their current language. The Corporate Income Tax Sheltering Work Group, working under the MTC Compliance Steering Committee, has also identified combined reporting as one of the initiatives states should employ to discourage tax sheltering, and has recommended the MTC develop uniform proposed statutes and rules. In light of that recommendation, the Executive Committee has indicated this project should be considered a high priority for the Uniformity Committee.

Consistent with the goals of the Multistate Tax Commission, the goals of this project are to:

- encourage tax practices that reduce administrative costs for taxpayers and States alike,
- develop and recommend uniform laws and regulations that promote proper state taxation of multistate and multinational enterprises, and
- encourage business compliance with state tax laws through education, negotiation and enforcement.

WORK OBJECTIVES

1. Develop model legislation and regulations governing combined reporting.
2. Develop an education, negotiation and enforcement recommendation which encourages a unitary business to comply with state tax laws.

TIMELINE

DATE & TIME	FORUM	PLANNED ACTION
March 15, 2004	Subcommittee Meeting	Review of the California Guide
April 27, 2004 3:30 Eastern	Teleconference	Charitable Expenses & Holding Companies
May 25, 2004 3:30 Eastern	Teleconference	Intercompany Transactions
June 30, 2004 3:30 Eastern	Teleconference	Partnership Treatment
July 25-26, 2004	Subcommittee Meeting	Discussion of Draft Statute and Remaining Policy Issues

